

OTI DAI-SWIFT PROJECT

QUARTERLY PERFORMANCE REPORT

For the period October 1--December 31, 2000

The DAI SWIFT project began with the September 30, 1998 signing of *Task Order Contract AOT-I-01-98-00199-00* between USAID-Office of Transition Initiatives (OTI) and Development Alternatives Inc. (DAI). Since the initial Task Order there have been nine subsequent modifications. The current DAI-SWIFT contract has a 60-day no-cost extension from January 1, 2001.

I. PROJECT DESCRIPTION

A. Background

The economic crisis in Indonesia in 1997 and the resultant political and social upheavals in 1998 made it evident that fundamental governance problems lay at the root of these serious problems. However, a general atmosphere of willingness by the Indonesians to reform political systems also arose, and USAID decided to support and enhance this opportunity for meaningful, peaceful reform via an OTI project.

The OTI undertaking in Indonesia was launched in mid-1998. Its overall objective is to provide impartial and useful assistance and information to Indonesians so that informed decisions regarding the processes of political change can be made. The initial focus, up through the July 1999 general election, sponsored NGOs and other organizations in election-related activities, so that the election could be as democratic and successful as possible. After that major event was over, OTI developed a new portfolio, defining the post-election assistance, which contained the following five sectors:

- Promoting responsible media
- Civic education
- Conflict prevention and reconciliation
- Socialization of the election results
- Anti-corruption/transparency/good governance

In the plenary team-building session held in January 2000, it was decided that each regional office should emphasize those sectors and programs that are the most relevant for their areas or constituents. But one type of program that proved successful and relevant in all the project areas was that of parliament watch/training. It was also decided in that session that OTI should now concentrate its efforts on the areas of critical turmoil in the archipelago (such as Maluku, Aceh, Irian Jaya, West Timor, and Central Sulawesi). Thus

the project is now sponsoring off-Java activities in these geographical areas, and anywhere else that urgently needs the project's assistance in the future.

Political events also changed the configuration of the project. The September 1999 referendum in East Timor, the cataclysmic aftermath to the referendum and Indonesia's subsequent jurisdictional release of that province caused OTI to early on provide assistance to the devastated new country. A regional office was opened up in Dili, East Timor in December 1999, and it has been fully staffed and operational since early 2000.

The "Joint Understanding on Humanitarian Pause for Aceh" signed by the Indonesian government and the separatist fighting faction in the war-torn province of Aceh (which took effect in early June 2000) presented the opportunity for OTI to achieve meaningful work there. Therefore, a 2-person sub-regional OTI office was opened up in Banda Aceh in mid-May 2000. Initial grants were implemented, but security reasons later in the current quarter forced the programs in that province to be curtailed or suspended. OTI will return with support for this critical area of Indonesia when security factors allow.

B. DAI SWIFT Project Funding

The current provision of contract funds for the DAI SWIFT project is as follows:

TABLE 1

DAI SWIFT CONTRACT FUNDING (US \$)		
<u>Contract Document</u>	<u>Effective Date</u>	<u>Budgeted Funds</u>
Task Order #1	Sept. 30, 1998	2,514,925
Modification 1	Oct. 26, 1998	36,585
Modification 2	Jan. 14, 1999	729,245
Modification 3	Feb. 1, 1999	2,919,280
Modification 4	May 25, 1999	4,955,813
Modification 5	Sept. 27, 1999	2,142,428
Modification 6	February 4, 2000	8,970,213
Modification 8	June 22, 2000	15,000,001
Total Ceiling Price		\$37,268,490

Modification #9 was signed on 1 September 2000 and added \$2,377,000 of incremental obligated funds to the project. The total amount of obligated funds is \$32,675,276.

II. PROJECT OPERATIONS

The highlights of the overall operations of this reporting period will be described first in this section, followed by descriptions of the operations in the individual regional offices of DAI SWIFT.

A. Overall Operations

1. Information systems

The project's technical expert again travelled to the East Timor office in October. He installed new land line connections to the server, installed a new hub, installed network cards in two new computers and performed general maintenance checks.

The “Technical Assistance Management Information System” (TAMIS) that was tailor-made for DAI SWIFT in both Indonesia and East Timor has been working well throughout the project and provides useful instantaneous project data. A portion of one of the many available views of the TAMIS system is presented as Appendix I; this particular view lists each DAI SWIFT grantee (inclusive of East Timor grantees) through the end of December 2000, and the date and amounts of the approved grants.

2. Conferences

An OTI/DAI Strategy Session meeting was held on October 30, 2000 in Jakarta. At that session, the current programming strategies were reviewed, and region-specific programming portfolios were decided on for the different regions covered in the project. It was also deemed necessary to review these portfolios again in early February 2001 in conjunction with the planned Team Building Session. The results of the planned Beneficiary Impact Evaluation undertaken by ACNielsen should be available by then, and these results would be useful for determination of further programming.

3. Short-term project support

DAI SWIFT and OTI continued to benefit from very good home office support. These visitors included:

- Eileen Wickstrom (4-20 October)--OTI-DC officer assisted and reviewed program portfolios in Jakarta and Dili
- Keri Eisenbeis (24 October-2 November) -- Assisted OTI with its civil military program for 2001
- Nona Zicherman (16 November-17 December) -- DAI Bethesda officer assisted the project, especially in the closeout of the old project office in Surabaya.

4. Expansion into Aceh

The sub-regional office that had been established in Banda Aceh operated throughout the period, with the main management and programming guidance emanating from the Medan regional office. But the security situation in that province continued to prohibit substantive programs or work, and the two-person regional office was maintained at a status quo. In addition, Dr. Bruce Harker's consultancy on the project expired on 31 October 2000, though he will still assist the Mission on Aceh matters in a different capacity. The future political and security situation in this troubled province will determine whether OTI can continue to effectively work there.

5. 60 Day No-Cost Extension/Long-term Contract Extension

On 28 September 2000 the Contracting Officer approved the request of DAI to continue operations for 60 days after the current SWIFT contract has expired (on 31 December 2000). After an analysis of the usage of remaining operating funds by DAI, it was evident that there would be sufficient funds to operate for that 60 day extension period without an infusion of new funds. One major benefit of this extension is that it allows DAI to sign MOUs for activities up to 1 March 2001.

The operations and programming budget for the long-term extension of DAI's contract on this project is still being reviewed by OTI-Washington at this time. An analysis of remaining funds from the current budget was also executed, and was factored into the operational funding needs for 2001.

6. OTI Beneficiary Impact Evaluation

A Purchase Order was signed with ACNielsen on 3 November 2000 for that firm to implement an exhaustive survey on the beneficiary impact of OTI grants and projects. They will accomplish this through Focus Group discussions, questionnaires and interviews. The Evaluation Report is scheduled to be completed by 20 February 2001.

But they also promised to have qualitative results of the evaluation ready in time for the Strategy Sessions and Team Building Sessions in early February 2001.

7. Financial Performance

The financial data from official invoicing for the project is only available up through November 2000, because of the usual lag in invoicing. As seen in Appendix II, a total of 61% of the total DAI SWIFT budget of \$37,268,490 has been spent and invoiced through the end of November 2000, with an expenditure of 8% of the total budget during the quarter. Of that invoiced amount, 60% of the grants budget has been invoiced, compared to 68% of the Indonesia operations budget and 58% of the East Timor operations budget. The monthly costs for the Indonesia operations remained quite constant averaging around the \$211,000 level, which is close to the last quarter's monthly average. The data as a whole shows a relatively low ratio of operations costs to grants invoiced (\$7,372,607 and \$15,208,909 respectively) of 1: 2.06.

B. Jakarta Regional Office Operations

Dr. Bruce Harker's consultancy expired on 31 October 2000 and he left the project. Oren Murphy was given a long-term contract in October, his position was changed to Program Manager and he is now based in the Jakarta regional office. Consistent with the downsizing of the Surabaya regional office and the implementation of all Surabaya generated grants at the Jakarta office, in early December 2000 Iwan Sarjono was transferred as a Procurement/Logistics Assistant from the Surabaya office to the Jakarta office. Other personnel additions are planned for the next quarter. Laurie Pierce's official title was changed to Country Program Manager, effective as of the new year, and Erika Kirwen's was also changed to Country Program and Implementation Manager.

Because of the plan to add many additional personnel at the Jakarta regional office, 23.17 sq.m. of additional office space was rented adjacent to the additional space newly rented last quarter. Total office space now rented is 433.69 sq. m.

As seen in Appendices III, IV and V, at the end of the quarter the Jakarta regional office has awarded a total of 205 grants with a value of \$8,193,115. Of this amount, \$6,121,047 has been duly disbursed, or 75% of total grants awarded.

Because of the many personnel changes and some changes in structure, it is apropos to update the organigram for the Jakarta regional office and include it in this report. The current one for the Jakarta office is shown as Appendix VI.

C. Medan Regional Office Operations

One of the drivers, Pak Yuliman, will not have his employment agreement renewed after it expires on 31 December 2000. Oren Murphy's duty station was changed from Banda Aceh to Jakarta. Buchari Daud resigned as Program Development Specialist in Banda Aceh on 27 November. A replacement is being sought.

Mainly because of security reasons, the empty space of 54 sq. m. adjacent to the present office space was rented out starting in December 2000. It will be refurbished and utilized by the staff in the next quarter. Also for security reasons, an alarm system was installed at the office. Professional guards also were arranged for both the Medan office and at the residence of the Regional Program Manager.

15 new grants were signed during the quarter, bringing the total number of MOUs to 107, with a total value of \$2,434,239 (refer Appendices III and IV). Total grant disbursements have reached \$1,859,489 or 76% of total grants approved, as per Appendix V.

The current organigram for the Medan and Aceh Regional Office is attached as Appendix VII.

D. Surabaya Regional Office Operations

The implementation of the downsizing of the Surabaya was accomplished in mid December. Staff-wise, five were retained to do programming out of the new office, one was transferred to Jakarta, one more will be transferred to Jakarta at the beginning of the new year, and the rest were let go. A farewell party honoring the great work done by the departing staff was held on 15 December 2000.

By mid December the five retained staff moved into the new office rented at the BRI Plaza, and by the end of the month it was a functioning office. That office will have a strictly programmatic orientation at the beginning of 2001. Thus, all Surabaya's grant implementation will be transferred to the Jakarta office. The former Surabaya office, which is a US government building, was handed back to the US Consulate on 31 December 2000. The required furniture and equipment for the new Surabaya office was transferred to that office, and all the remaining items will be sent to the Jakarta office for use or storage.

At the end of the reporting period a total of 103 grants valued at \$2,117,938 had been awarded (refer Appendices III and IV). Disbursement of the grants had reached \$1,572,410 (refer Appendix V) or 74% of the total grants awarded.

The current organigram for the Surabaya Regional Office is attached as Appendix VIII.

E. East Timor Regional Office Operations

During the period, one Logistician and one Asst. Program Manager were hired. A Logistics and Procurement Supervisor and a part-time office maintenance person were terminated. Also, one security guard and one Grants Manager resigned; the replacement for the Grants Manager has been found.

New office renovations were completed in mid-October. This included changing a room to serve as an office for the Logistics staff, and another room to serve as storage space. Also in the back of the office two separate areas were roofed to provide shelter and extra storage space. In addition, a lightning rod and tower light were installed on the tower which supports the dish for the internet connection to UNDP. An inter-office and local land line telephone system was also installed in October. A new Xerox Copier was installed in mid-October also; a big benefit of Xerox machines is that there is a service facility in Dili.

The finalized Motor Pool and Driving Policy was distributed in October. An inventory system was also set up in October; this system will track usage and purchase quantities of office supplies.

The pace of grant production greatly increased yet again, with a total of 53 MOUs being signed during the period (refer Appendix III), bringing total MOUs to 188. The value of the total signed MOUs reached \$7,859,901 (refer Appendix IV). Total disbursements are at \$5,975,454 (refer Appendix V), and represent 76% of total grants awarded.

III. GRANT ACTIVITIES

The Jakarta and Medan regional offices experienced increases in grant production during the quarter, while the Surabaya regional office showed a decline by about half compared to the production of the previous quarter (refer Appendix III). This result in Surabaya was certainly influenced by the downsizing and other transitional factors experienced at that office. However, the total value of the grants produced by the three Indonesia offices (\$1,140,051) in the quarter showed a slight increase compared to the previous quarter (refer Appendix IV). Grant disbursement in the Indonesian regional offices increased slightly during the quarter compared to last quarter to a level of \$1,350,479 (refer Appendix V).

In East Timor, the implementation of the TEPS II project caused a great upsurge in grant production again (from 38 during the last quarter to 53 in the current quarter); however, the value of the grants awarded during the quarter was approximately half the previous quarter's value, indicating that the average value of each grant decreased significantly ,

(refer Appendices III and IV). Disbursements for grants drastically decreased to \$730,218 during the period, compared to over \$2 million the previous period (refer Appendix V).

A. Jakarta Grant Activities

During the last quarter of 2000, the Jakarta office grants implementation focused on activities in several sectors: governance issues, human rights, civil military issues, and continued support to conflict areas such as Maluku and Sulawesi. In addition to focusing on those sectoral areas, the Jakarta implementation staff also focused on a broader operational change as it began to take over the implementation of Surabaya-based grants. This was a revolving process that began in November, with the Surabaya office transferring grantees and activities to Jakarta that were still on-going at that time. The hand-off was completed in December when the Jakarta office began implementing all new grants developed by the Surabaya program staff. In order to handle the increased workload in Jakarta, two procurement staff from the Surabaya office moved to Jakarta to work in the Jakarta office.

National-Level Governance Issues

During this quarter, there was a continued focus on issues related to both national and local government. In terms of the national level issues, they ranged from reform of the national election commission to assisting the Attorney General's office in simulated court cases, and to assisting the Ministry for Home Affairs in its effort to socialize issues related to the up-coming decentralization. One grantee, the Independent Committee to Help the Indonesian Elections, decided to hold a public debate series concerning a new Election Commission to be established by President Abdurrachman Wahid. The new Election Commission (KPU) is being developed to organize a more transparent election process, one that is not distracted by partisan interests. Since a critical component of a free and fair election is the establishment of an unbiased and accountable elections oversight organization, the grantee believed that this new commission and its mandate needed to receive more public attention. In addition, since such organizations must be created in an open and fair manner, the debate surrounding this new commission needed to be widened and broadcast to the public before the new law was to be written. With this in mind, the grantee held a series of debates in late October to early November to make the formation of the KPU more transparent to the public. The debate topics included details of the new law which establishes and defines the commission and its mandate, as well as a description of the process of nominating and ratifying those nominations for both the membership and the chairmanship of the new commission. All of the debates took place in Jakarta in front of a live audience of approximately 100 people from NGOs, academia and the press, and each debate was taped and broadcast on national television.

Additional assistance was given to two initiatives sponsored by Indonesian government offices. The first activity, through the Attorney General's office was to support that office's efforts in conducting Simulated Court Sessions. These sessions were intended to prepare the Attorney General's office to hear four cases of human rights violations tied to the crimes allegedly committed last year by the military in East Timor. At the request of the American Embassy, OTI/DAI supplied logistics support in running the mock-court sessions.

Another activity was sponsored by the Ministry of Home Affairs concerning their efforts to share detailed information with regional government officials about the up-coming implementation of the two decentralization laws. The Ministry held a series of workshops on the "Regional Consultation of the Implementation of Decentralization" in Jakarta, Makassar, South Sulawesi, and Surabaya. The goal of the workshops was to articulate to local and central government officials the new divisions of authority between the central and local governments, and to explain how they both will need to reorganize their civil servant structure as some civil servants from the central government will be absorbed by the regional governments in the near future.

Local-Level Governance Issues

In addition to the aforementioned grant to the Ministry of Home Affairs to delineate new roles between the central and local governments, there were several parallel activities during this quarter working directly with local governments. Recognizing the complexity and the sheer size of Indonesia's decentralization effort, OTI/DAI program staff tried to find ways to address one or two discreet aspects of decentralization. One area that seemed to be both important and possible to focus on was the local budgeting process. This process will begin once control and responsibility for services previously paid out of the central government is transferred to the local government.

During this quarter, three such activities that focused on local budgets were approved and implemented. A department at the University Indonesia sponsored the first activity. They held a series of workshops in West Java for local parliament members in five different geographical areas. The focus of these workshops was to analyze each local government's budget and to assist and train the legislators in developing criteria for evaluating budgets and for determining and deciding on the criteria for expenditures against those budgets.

Another grantee, the Strategic Institution for Banten Development, sponsored public hearings and an information campaign which hoped to increase the public's involvement in the formulation of the local government budget in three districts in the newly formed province of Banten. The series of activities hoped to generate public interest, increase parliamentary dialogue, and set the stage for public inputs for the next fiscal year budget. The grantee put public service announcements in 3 major local newspapers in Banten province, held several radio talks shows and public hearings.

One other grant was focused on this same sector, the local budget review process, in one large municipality near Jakarta. The project aimed to increase public involvement in the formulation of a local government budget through strategy sessions and workshops on the following topics: an analysis of the 2001 local budget, identification and profile of interested and experienced local NGOs in the field of budget management, and a final meeting between NGOs and legislative members to review the 2001 draft budget and declare the strategy for a participatory budget formulation for the following year.

Civil-Military Issues

During this quarter, civil-military grants continued to play a prominent role in Jakarta-based activities. The new activities include the revision of the state defense law, community monitoring of the military in central and east Java, and research and development of a database concerning the new role of the military at the regional level. One grantee, Propatria, began conducting a series of meetings with twenty leading Indonesian academics, observers, and activists focusing on military affairs who together will develop a new draft for the State Defense Law that will be debated at the parliament in early 2001. The draft that is currently with the parliament has been written by military staff from the Ministry of Defense and is widely viewed as too conservative during this time of "reformasi". The debate of this new law will be crucial in institutionalizing military reform, particularly in keeping TNI as a defense force only, not a major political player.

The other two new civil military activities were research activities focused on different aspects of the military as they play out in regional areas. One grantee, IRE (the Institute for Research and Empowerment) began a program on community monitoring of the military in Central and East Java. This program intends to impact a broad range of the political elite in East and Central Java by empowering them to exercise institutional and social control over the military in their sub-district areas. To achieve these goals, the grantee sponsored a series of activities which includes the following: a needs assessment (especially to investigate the intervention of the military in civilian affairs), dialogues between civilians and military personnel, discussions between civil society leaders and government officials, workshops, conferences, and publications. The results of the workshop and conference proceedings will be broadcast through regular columns in regional newspapers, covering a readership of several million people.

The other grantee working on research of civil military activities is the Study Center for the Civil Military Relationship in Indonesia. They began a program of collecting data on the military's political activities in ten selected provinces of Indonesia. The data produced by the monitoring process (including positive and negative case studies) is to be entered in a computerized database, which will be available to the public via the Internet. In addition, non-military politicians will receive monthly newsletters with updated information on political positions taken by senior military leaders. The grantee will conduct regular analysis of the incoming data and present it to the political elite, especially parliament members, so that they are better informed about the political activities of the military.

B. Medan Grant Activities

During the fourth quarter of 2000, USAID/ OTI/ DAI Medan focused its activities on addressing the many issues arising from the process of decentralization. After the passing of two new laws on decentralization in the Indonesian Parliament in 1999, regional autonomy is scheduled for implementation on January 1, 2001. Despite widespread support for decentralization, however, the process has been clouded in confusion, lack of preparation, and competing claims over the implications of autonomy.

At the district level, to where a great deal of authority is being shifted, district heads and local parliamentarians find themselves still waiting for clarification from Jakarta on basic rules of implementation as they try to decipher the shift in roles between provincial and district administrations. Local parliamentarians are also trying to adapt to their increased power in determining issues such as the regional budget. Thrown into this already confusing mix is an increasingly opinionated and vocal civil society which is demanding a voice in determining the shape of future policy.

New Sumatra Grants

Recognizing the potential for conflict during this process of decentralization, OTI/ DAI has focused its programming on both raising awareness about regional autonomy and supporting efforts to hold transparent and participatory public hearings during the creation of the district budget for 2001.

Due to the general lack of public knowledge about regional autonomy, OTI/ DAI supported a series of talk shows, created by the political science faculty at the University of North Sumatra (FISIP USU), which discussed local government readiness to implement the New Autonomy Laws Number 22 and 29/1999. The talk shows spanned 8 weeks and were broadcast on TVRI Medan, the local government television channel. Topics included such issues as problems of investment within the context of autonomy, local government resources, local government's expenditure system for development, subsector economics in supporting autonomy, and public control in the implementation of autonomy.

OTI/ DAI also supported a series of radio Public Service Announcements on regional autonomy created by Yayasan Bina Mitra Wawasan. The PSAs were broadcast on 75 radio stations in 44 cities throughout Sumatra during a four-month period. The PSAs framed what the general public should reasonably expect from the early steps toward decentralization, proposed actions to counter local government corruption, and promoted unity and tolerance by asking the public to judge leaders on the basis of their vision and actions and not on their religious or ethnic affiliations.

In November and December, OTI/ DAI began to identify what upcoming events in the move towards decentralization could precipitate conflict, and what could be done to counter it. Based on a series of discussions with members of the government, professors at

local universities, and local NGOs, it was decided that the creation of the 2001 district budget was a critical short-term issue. District level budgets have traditionally been formed in Jakarta or at the provincial level, with district level administrations having almost no say in the budget they receive. Furthermore, the process was shrouded in secrecy, and until the budget is passed by parliament, the draft budget was considered a “state secret.”

To support efforts at reform in this process, OTI/ DAI worked together with 6 local partners to hold a series of budget analysis workshops and public hearings on the district budgeting process in 10 districts across Sumatra. The workshops and hearings marked the first time that public participation was invited in the budgeting process in a transparent fashion. The workshops and hearings also became a sounding board for complaints and questions regarding the relationship between the legislative and executive branches of the government, the district and provincial administrations, and the process through which budgetary line items are decided. Civil society participation in the workshops and hearings was frequently critical. Many members of civil society, however, were forced to undergo a steep learning curve as they were asked to contribute constructive suggestions rather than merely complain about past wrongs. Similarly, members of the district administration were held to task for the process and content of the district budget in the past.

Aceh

The fourth quarter of 2000 was marred by a marked increase in violence in Aceh. Continued fighting between TNI (the Indonesian military) and GAM (the Free Aceh Movement) resulted in over a hundred fatalities, more destruction of property, and increased anxiety over the fate of the province. The Humanitarian Pause was continued until January 15, 2001, but most observers agreed that the Pause existed in name only, and had little if no impact on the situation on the ground.

Violence in Aceh continued at high levels during the months of October, November and December and was most intense in November when Indonesian security forces attempted to halt the influx to Banda Aceh of would be participants in the second annual mass demonstration in support of a referendum on independence, which took place on 7-9 November. The first such rally in November 1999, coming on the heels of East Timorese vote to separate from Indonesia, brought hundreds of thousands of people onto the streets of the provincial capital and was certainly the moment when support for freedom of choice was highest among the Acehnese people. Perhaps 50 civilians were killed outside of Banda Aceh in the days preceding this year’s demonstration and this contributed to a far smaller turn out than in 1999. The government crackdown on expressions of support for a referendum on independence included specific actions against SIRA (Sentral Informasi Referendum Aceh), which was the primary organizer of both rallies. At least one preparatory meeting in the SIRA office in Banda Aceh was raided and an arrest warrant was issued for Mr. Mohamed Nazar, the Chairperson of SIRA. Mr. Nazar turned himself in after the demonstration and is still in detention.

Another casualty of the violence associated with the demonstration was the Joint Forum meeting scheduled for mid-November in Geneva. The GOI and the Free Aceh Movement (GAM) had agreed to begin exploratory talks on the political future of the province at the meeting but GAM angrily cancelled the discussions and threatened to withdraw from the Humanitarian Pause altogether. Representatives of the Henry Dunant Center struggled to keep the process from falling apart and finally succeeded in gaining agreement from both sides for a rescheduled meeting in early December, but that too was cancelled. The talks were finally rescheduled in Switzerland from January 6-9, 2001. At the same time rhetoric against the Humanitarian Pause and for the declaration of a civil emergency in Aceh increased in Jakarta.

The continued violence and the killings of three Rehabilitation Action for Torture Victims have hampered aid efforts and forced many international organizations active in Aceh to rethink their role in the region. Several international NGOs have temporarily suspended their activities until the security situation improves. US Embassy restrictions against official travel to Aceh remained in place throughout October and November though an exception was made for an assessment of emergency conditions following the flooding northern and eastern lowland areas. An OTI/DAI staff member accompanied a representative of the OFDA office in Manila on a two day visit to Banda Aceh at the end of the month. By this time the waters had already receded and the two concluded that damage to crops and thus to medium-term food supply was the only serious consequence of the flooding. Restrictions were lifted in December, although travel remained limited to the provincial capital of Banda Aceh.

In addition to on-going operational support for the Banda Aceh based Humanitarian Pause Joint Committees and Monitoring Teams, OTI/DAI completed several new grants in Aceh in the fourth quarter. The first provided air tickets to enable Committee and Monitoring Team members to attend the Joint Forum meeting. The second gave support to the local legal aid foundation (LBH – Lembaga Bantuan Hukum) for the completion of a booklet to inform citizens of their rights and appropriate actions to take in case of arrest. The third grant allowed for the creation of a Public Information Unit for the Joint Committees (PIU). The PIU will enable information about the Pause and the activities surrounding it to reach a wider public in Aceh as well as both nationally and internationally.

C. Surabaya Grant Activities

During this quarter, the focus towards the conflict zones of eastern Indonesia was sharpened. The following is a synopsis of programmatic highlights by region and sector.

Maluku

During October, the pattern of conflict in Maluku changed. Sporadic outbreaks of violence in various areas did not translate into sustained attacks. There was a definite improvement in the response of the security forces, with response times narrowing and the

approaches taken more balanced, and less biased. Unfortunately, this did not necessarily translate into a sense of improved security among the public. The crossing of borders was still a cause for concern, with most residents electing to take longer, more difficult routes through safe territory. The frequency of attacks increased towards the end of November, just prior to the beginning of the holy months of Ramadhan and Advent. The disappearance of a speedboat full of Muslims bound from Ambon to Saparua sparked a series of daily attacks, most of which were in retaliation for the disappearance of the boat. To date, the boat and 14 of the 16 passengers have not been found. However, two bodies have been discovered. Both were those of young females and both were badly mutilated.

Early December saw a continuation of the sporadic violence that began in late November. In addition, attacks on the islands of Kesui and Teor brought with them reports of forced conversions to Islam. These forced conversions are reported to have continued through the end of the month. Meanwhile, Ambon Island and other parts of Maluku became much calmer as the month progressed. Initial fears of reprisal attacks during the Christmas and Idul Fitri holidays gave way to a cautious calm as people of both religions celebrated their holidays quietly and in relative peace.

Under these conditions, SWIFT-Surabaya was still able to fund a number of important grants concerning Maluku. In October, Joint Committee on Conflict Resolution in Maluku – an ad-hoc group of Ambonese Christian and Muslim activists – sent its core team to Jakarta to hold planning sessions with partners from OTI and other USAID partners in preparing their second workshop on conflict resolution for Maluku. A second grant funded the actual workshop itself, which was held from October 22 through 27 in Bali. The workshop capitalized on the results of polling carried out by the Joint Committee among residents of Ambon concerning their perceptions of the conflict, its roots and the ability to stop the fighting. The workshop also drew together a wider audience of Mollucans in order to design a follow-on action plan and build ownership of these peace-building efforts among the attendees. Exit interviews of participants at the workshop revealed that there was a new spirit of understanding among the disparate parties, a spirit the individual participants hoped to convey to their constituent groups once back in Maluku.

During December, the Joint Committee held its third and final Baku Bae (Peace) workshop in Yogyakarta early in the month. The workshop was preceded by a follow-up poll to the one covered under their earlier activity in December. The results were used by workshop participants – moderate and hard line elements from a variety of Christian and Muslim constituencies – to develop detailed action plans for building peace in the strife-torn region. The workshop concluded with a national level road show to Jakarta and two other major Indonesian cities to promote the Joint Committee's planned programs. The President and the Sultan of Yogyakarta publicly declared their support for the Joint Committee's efforts.

In addition to the above, OTI grantee Mercy Corps, in association with local partners Team 20 and Pemali, began a community-wide repair and reconstruction project that

brings together Christians and Muslims. Launched shortly before Christmas, the activity attracted the attention of national and international media as well as visits by the governor and the regional police chief, all of whom praised the effort. Another activity approved during December was a mediation skills and techniques workshop for 24 Christian and Muslim field motivators sponsored by the National Commission for Human Rights. This activity will take place in mid-January.

For the future, OTI will partner with the Go East Institute and the Archdiocese of Ambon to share successful peace building efforts in Southeast Maluku with their Central and North Maluku counterparts through a large traditional gathering in Tual. Finally, OTI will lend its support to Mercy Corps to carry out a training and technical assistance program for 10 NGOs working in both communities in developing their skills at marrying a peace building or mediation component to concrete relief activities. Both activities are expected to take place in early March.

Papua

October saw significant developments in Papua. First, the new governor and vice governor were selected early in the month. Native Papuans from the interior of the province felt slighted by the selection, as both selectees were Papuans from the northern coast with no real representation of the interior peoples at the highest level of government. The final outcome was so controversial that the government had to postpone the inauguration of the new governor and vice governor until late November and then did so in a very low profile fashion.

Also in October, the Morning Star, the Papuan independence movement's flag, was ordered to be taken down throughout the province by the new head of the Indonesian police. This sparked a violent backlash in the city of Wamena where hundreds of Satgas Papua, the Papuan Peoples' Presidium's civil guards, appeared to attack various targets, including non-Papuan migrants. The security forces cracked down immediately but the situation in key locations throughout the province remained tense.

November saw the exodus of non-Papuan migrants from the province in the run-up to December 1, the so-called Papuan independence day. Others chose to remain in the province but took refuge in military barracks and police headquarters. As the month closed, security forces began rounding up the more hard line leaders of the Papuan People's Presidium, the political wing of the independence movement.

December 1 came and went with relatively little conflict. However, this was followed by a period of extreme tension and an eventual outbreak of violence in the Jayapura suburb of Abepura. The district police headquarters was attacked and a number of students were killed or wounded by the security forces. This led to statements of outrage and demands for justice by OTI-grantee ELS-HAM, resulting in the detention and questioning of the organization's leader by the police. He was subsequently released after much pressure from the US government and other international parties.

Elsewhere in the province during December, hard line leaders of the Papuan People's Presidium, the political wing of the independence movement, continued to be held by the police in spite of a presidential request to release the detainees to celebrate Christmas and Idul Fitri with their families. In addition, a new regional military commander and regional police chief were installed, both of whom are considered to be much harder line than their predecessors. However, as the month closed, conditions throughout the province were much less tense than was seen at the beginning of the month.

The OTI response in Papua during the quarter focused on two issue areas – human rights and conflict. With regard to human rights, OTI continued its coordination with The Asia Foundation (TAF) to add value to training efforts for community-based advocacy organizations. Most of these training programs covering different geographic areas were an extension of those funded during the month of August and finally concluded during October. The information obtained with regard to the cases being investigated was then passed along to ELS-HAM, a regional human rights advocacy organization funded by TAF, for processing and follow-up with the authorities. OTI also continued to work with KontraS-Papua, the missing persons' human rights NGO, in forming victims' families' forums to press for a settlement of their relatives' cases. In addition, OTI signed a separate grant with ELS-HAM late in the quarter to conduct monitoring and advocacy with regard to issues leading to potential conflict and human rights abuses through field visits and radio broadcast interactive dialogues. These dialogues will involve an array of participants, including the head of the provincial legislature's human rights commission. Another human rights activity with Yayasan Ngalum was put on hold given sensitivities in their geographic coverage area.

With regard to conflict, OTI funded FOKER-LSM early in the fourth quarter to carry out a workshop on the role and function of the media in conflict prevention and civic education in Papua, interactive radio and television dialogues and public service announcements, all along the same theme. FOKER-LSM concluded its program in mid-December.

As virtually no new proposals have emerged from our networks in Papua, a proactive search for new proposals will be carried out in Papua during January. It is hoped that the political situation will be stable enough to encourage local partners to launch new activities that integrate with existing efforts in the province. In addition, OTI hopes that the groundwork laid by our partners in helping to resolve Papua's political status can be followed up with activities that focus on the provincial legislature.

East Nusa Tenggara (Including West Timor)

Due to US backing of the United Nations resolution with regard to Indonesia's handling of the Atambua incident, OTI ceased all activities in West Timor in September. That cessation continued through the fourth quarter and looks set to continue for the foreseeable future. The rest of East Nusa Tenggara was largely unaffected by events in

West Timor, with most other regions focused on the issue of the upcoming implementation of regional autonomy this January.

In response to the above-referenced prohibition, as well as the security situation, OTI activities in West Timor remained on hold during the entire quarter. Activities in the rest of the province were largely confined to governance issues, such as parliamentary strengthening of district level parliaments, establishment of citizens' forums to engage parliamentarians on issues of local concern and debates surrounding key district head of government races. These activities were mostly a continuation of activities begun in the previous quarter and most came to a close during this quarter. In the first quarter of 2001, OTI will likely phase out of activities in the rest of East Nusa Tenggara in favor of focusing more on West Timor (if the restriction to work there is lifted) and West Nusa Tenggara, where the potential for conflict is far greater.

However, OTI was able to fund one significant activity that involved groups in West Timor at the request of the US Embassy's Political Section. A reconciliation meeting between CNRT and UNTAS, the pro-integration political wing now residing in Kupang, took place in early December in Surabaya. Both sides hailed the progress achieved in the meeting and called for additional meetings to be held in the near future. In addition, OTI is developing a proposal to send journalists from West Timor to East Timor to gather first hand information regarding the experiences of returning East Timorese military reservists in an effort to encourage others to return. OTI will likely fund and launch both activities in late January/early February.

West Nusa Tenggara

In January 2000, the province of West Nusa Tenggara was rocked by a massive attack against the Christian community in the capital Mataram. The attack spread outside the city to other areas as well, forcing a mass evacuation of Indonesians and foreigners alike from the resort island of Lombok. The region's economy, which is highly dependent on tourism, has suffered dramatically over the past year as tourists passed up competitively priced hotels and tour packages in the interests of perceived safety.

The region remained relatively calm until Christmas Eve, when a simultaneous series of bombings took place at churches and other Christian holy sites in major cities throughout Indonesia. One of these cities was Mataram. Instantly, bookings were cancelled and security on the island of Lombok was dramatically tightened. Rumors of additional bombings were rife but proved inaccurate.

Then as the festive season passed, inter-village attacks began in the suburbs of Mataram. These attacks were linked to the existence of the Pamswakarsa, former neighborhood watch groups that have evolved into vigilante police forces throughout West Nusa Tenggara. By the time the violence had subsided, at least 12 were dead with threats of reprisals rife. It remains to be seen if these attacks were isolated or may spark additional attacks in other parts of the region. However, it is clear that Pamswakarsa have taken the

law into their own hands and have exceeded the bounds of their previous role in the community. There are presently over 50 of these groups throughout the province.

During the past quarter, OTI funded a number of governance efforts in West Nusa Tenggara. But OTI's focus is shifting to the potential for conflict, particularly with regard to the role of the Pamswakarsa. The problem of these vigilante groups emerged during four different grantee activities – P3OD's legislative strengthening program, LP3ES's village leader's training program and Koslata's and LOH's conflict prevention programs.

In response to the developing situation, OTI will carry out a scoping trip to West Nusa Tenggara during the month of January. It is expected that this trip will both give us a deeper knowledge of the problems associated with the Pamswakarsa and other conflicts as well as spin off new proposals for development. One activity that we hope local partners will undertake is a survey of community leaders' attitudes towards the Pamswakarsa. This will inform the content of follow-on activities.

Other - Human Rights

During November, OTI launched or continued a number of human rights activities with Jakarta-based partners. ELSAM continued its series of roundtable discussions on the form and content of a nationwide Truth and Reconciliation Committee. Inputs from national and international experts at the roundtable will later be synthesized into suggestions for the national parliament and the Ministry of Justice and Human Rights. Center Pos held a nationally televised public debate on the future of human rights policy and implementation by the government. The broadcast featured the Minister for Justice and Human Rights, the former Minister for Human Rights and the leaders of the National Commission for Human Rights and the National Legal Aid Board. The show reached millions of television viewers.

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In the future, OTI plans to work with Center Pos in televising a debate on the proposed revised state security bill and its impact on human rights. In addition, OTI will team with the Ministry of Justice and Human Rights in holding a workshop to identify a national policy for handling IDPs. Finally, OTI hopes that several new proposals will be generated

by the Center for Human Rights Study workshop, especially from those centers located in OTI's priority conflict zones. This will enable our partners to link regional developments to national policy and implementation and give additional exposure of the state of human rights in the conflict zones.

D. East Timor Grant Activities

Civic Education

With a \$108,000 grant from USAID/OTI, the International Organization of Migration (IOM) has been able to launch the first phase of the Falintil Reinsertion Assistance Program (FRAP). From December 15-21 IOM conducted a socio-economic survey of the estimated 1,600 Falintil members. The survey is collecting information on age, family structure, education, and professional skills. Once data is compiled, the results will be used to fine tune the planned reinsertion program that should get underway in late January. Beyond providing funding for the survey process, five USAID/OTI staff are participating in the needed fieldwork in three areas of the country. The FRAP is an IOM-implemented initiative that is receiving funding support from the World Bank and USAID/OTI.

In addition USAID/OTI has made a grant of approximately \$250,000 to the International Organization for Migration (IOM) for their Community Assistance for Population Stabilization (CAPS) program. Focused on rehabilitation and reconstruction of basic infrastructure, the program will be implemented in the districts which were hardest hit during the post-referendum violence in September 1999 - Aileu, Bobonaro, Covalima, Oecussi, Manatuto, and Dili. Beginning with a rapid assessment survey, the program will involve existing groups and programs, such as the World Bank's Community Empowerment Program, NGOs, and the Church. IOM will work closely with the local groups, providing technical assistance, logistical support, procurement of materials, and supervision. It is expected that approximately 5,000 people will be employed through the projects, and far more will benefit indirectly as infrastructure is re-built. The beneficiaries will primarily be returning refugees. It is anticipated that the program will contribute significantly to the re-integration of returnees from East Timor. While many refugees are willing to return, the lack of infrastructure and jobs has made the absorption of refugees difficult.

With a grant from USAID/OTI, Centro Studente Buka Hatene (CSBH) conducted a one day training in Ainaro District on the role of civil society in such issues as democratic principles, political rights, human rights, good/clean governance, reconciliation, economic freedom and conflict resolution. The training was attended by a total of 56 men and

women who will replicate the training at a more grassroots level. To date CSBH has conducted 5 training sessions in three of Ainaro's subdistricts, including villages in Ainaro district that it views as politically tense due to friction between competing political groups. CSBH is seen as an independent student group able to disseminate objective information on civil society issues and they are trusted by the political groups in Ainaro to conduct related trainings. CSBH is following up on previous trainings by monitoring and evaluating the new information sessions at a more grassroots level that are being conducted by people who attended the CSBH trainings.

In addition USAID/OTI has approved 6 other grants for civil society for a total of \$104,967.

NGO Forum grants

The USAID/OTI office in East Timor has approved a grant aimed at addressing both the training and computer repair needs of local non-governmental organizations, while providing local NGOs access to the Internet. Addressing one of the most fundamental gaps in East Timor – technical skills and services – the grant will provide The NGO Forum, an umbrella organization of 120 local organizations, with the equipment and funds necessary to set up and run a computer training and repair center, as well as an Internet café. Given that Internet service is currently prohibitively expensive for most East Timorese organizations, the Forum's Internet Café will provide a critical service for local organizations.

The computer repair and training services represent the most critical aspect of the project. Currently there are no local commercial outlets for computer repair available to Timorese organizations. Most international organizations send equipment to Australia for repair, at costs far beyond the means of local NGOs. Since September, a Timorese computer technician has been working at the Forum on a voluntary basis. USAID/OTI's grant will cover the cost of his salary through February 2000 to ensure his services remain available. With the enormous demand for services, the project has also attracted two international volunteer computer technicians. The Forum has also offered courses in basic computer skills to local organizations. After receiving the grant from USAID/OTI, the Forum will be able to expand its repair and training services to district organizations.

The project will also be of direct benefit to other USAID/OTI grantees, as USAID/OTI plans to cooperate with the Forum to provide basic training and orientation as a component of future grants which include computer equipment. This will assist local organizations in avoiding technical difficulties faced by many organizations due to the lack of technical skills and training. NGO Forum is building its strength and in December held its Annual General Meeting openly debating issues of their constitution, electing a new board and planning the next year's strategy for financial sustainability and improving services to their member organizations. NGO Forum is instrumental in getting the UNTAET National Civic Education Program to be more inclusive of local organizations in the planning and implementation process.

Transport Support for the National University of East Timor

Providing ongoing support to one of the most practically and symbolically important institutions in East Timor, USAID/OTI in Dili has provided a 14 seat minivan for the National University of East Timor. The minivan will be used to provide transport for university staff. USAID/OTI already provided a substantial grant to the university, which opened in November, to cover the costs of the rehabilitation of the main university building. The University not only addresses the need for higher education in East Timor, but also contributes to social stability by providing an opportunity for young people, many of whom are unemployed, to study and learn critical skills.

Media

USAID/OTI has approved a new grant for the Timor Post, to facilitate the paper's expansion to districts outside of Dili. The grant will provide equipment and supplies for a Timor Post office in Baucau. The office will include both local reporting staff and a local circulation manager, ensuring not only that the news from Baucau and the other eastern districts of East Timor is covered by the Timor Post, but also that the paper reaches more areas. It is anticipated that the Baucau office will cover Baucau, Lautem, and Viqueque districts, including sub-districts. The Timor Post has already started to expand its circulation to the districts nearest Dili, including Liquica, Ermera, Aileu, and Manatuto. With the establishment of the print consortium in Dili at the end of August 2000, the local newspapers have been able to significantly increase their circulation in Dili. Expanding to the districts, in order both to address the need for information and increase newspaper sales, is critical to the development of the local print media in East Timor. Through the new grant to the Timor Post, USAID/OTI aims to assist in the Timor Post becoming self-sustaining through increased sales, while also filling crucial gaps in access to information among communities outside Dili.

Upcoming grants in media include radio equipment for a radio station and support to Suara Timor Loro'sae, a daily newspaper which started publishing in July.

TEPS II

From March to September 2000, USAID/OTI implemented the Transitional Employment Program (TEP I) to address the urgent need for employment and reconstruction in East Timor. As a follow-on to TEP I, USAID/OTI initiated TEPS II in September 2000.

From October to December 2000 USAID/OTI in Dili has approved 18 grants under the Transitional Engagement for Population Support program (TEPS II) project in four districts in East Timor. The districts – Oecussi, Manufahi, Liquica, and Lautem – were

pilot areas for the implementation of TEPS II through the East Timor Transitional Administration (ETTA) district administrations.

TEPS II will focus primarily on rehabilitation, income generation, and community participation rather than employment creation. The 18 projects approved include the re-roofing of secondary schools, rehabilitation of markets, and clean water projects in sub-district towns. The projects also include the re-roofing of buildings for a Timorese women's organizations, a road building project in the Oecussi enclave, and a gabion basket making project, also in Oecussi. In some cases, projects include a creative combination of World Food Program Food For Work projects with the provision of materials by USAID/OTI. In the coming weeks, USAID/OTI representatives will be identifying projects in Manatuto district, to be implemented through local organizations. All first round delivery of TEPS II materials to four districts: Oecussi, Lautum, Liquica and Manufahi has been made and work has commenced.

As a follow up of Phase II, in the month of December USAID/OTI approved another additional 21 grants for Manatuto, Covalima, Ermera, Bobonaro and Baucau Districts. The procurement of materials for all the 21 grants is completed and is on its way from Surabaya, Indonesia to E. Timor. The TEP Team is conducting field visits to Dili, Aileu, Ainaro and Manufahi Districts for reviewing TEPS II proposals with ETTA and other implementing partners.

TEP Helps Re-start Seed Reproduction Plant

In Covalima district, TEP funds have been used to rehabilitate the district Agriculture Station and start seed production. Seeing that the project was a success, another donor has plans to invest funds in the project until it becomes self-sustaining. The district employed four men, who worked at the center under the Indonesian government, to clear land, prepare seed beds, and rehabilitate living quarters and office space. The workers have even been able to retrieve the building's windows, which they had removed and buried nearby during the post-referendum violence last year. The workers have shown a high degree of motivation, welcoming the opportunity to use their skills. The workers have also been supervising groups of youth volunteers who are working at the center, learning about agriculture and seed production.